Council on Technology Services

Minutes

January 18, 2001
Monroe Building, Richmond
9:30 a.m. to 12:00 p.m.

Attendance

Members:

Chairman Donald W. Upson (Secretary of Technology) via telephone; Jeb Stewart for Erv Blythe (Virginia Polytechnic Institute and State University); Cheryl Clark (Department of Motor Vehicles); Ray Davis (Department of Game and Inland Fisheries); Bette Dillehay (Office of the Secretary of Technology); Chip German (University of Virginia); Patti Higgins (Department of Tax); Joy Hughes (George Mason University); David Molchany (County of Fairfax); Larry Gumprich for Mike O'Neil (Department of Social Services); Gerry Pacyna (State Corporation Commission); Jim Peters (Virginia Employment Commission); Naseem Reza (Virginia State Police); Jerry Simonoff (Department of Technology Planning); David Sullivan (City of Virginia Beach); Mark Willis for Paul Timmreck (Virginia Commonwealth University); Bill Wilson (Division of Legislative Automated Services); and Executive Director David Nims (Electronic Government Implementation Division).

Presenters, Guests, and Representatives:

Janice Akers (Electronic Government Implementation Division); Leslie Carter (Department of Information Technology); Murali Rao (Virginia Department of Transportation); Jenny Wootton (Electronic Government Implementation Division).

Members Absent:

Jan Fatouros (Department of General Services); Bill Landsidle (Department of Accounts); Ken Mittendorff (Supreme Court of Virginia); Lan Neugent (Department of Education).

Welcome and Opening Remarks

Deputy Secretary of Technology Bette H. Dillehay welcomed everyone and Executive Director David Nims called the meeting to order at 9:40 a.m. Mr. Nims announced that Secretary Upson was in Washington for the inauguration and would call in at approximately 9:45 to share his comments.

Meeting Objectives

- Update and facilitated discussion to ensure success of the Seat Management Initiative.
- Presentation on the Enterprise Architecture initiative.
- COTS Workgroup reports.

Approval of minutes

The minutes of the November 13, 2000, COTS meeting were approved, and the final minutes will be posted to the COTS website.

Technology Infrastructure Fund

Jerry Simonoff presented the Technology Infrastructure Fund (TIF) request for sponsoring the second annual Global Internet Summit in Fairfax, Virginia, March 5-7, 2001. The Governor's press release was enclosed in members' packets. The Commonwealth is a sponsor of the Summit at the $100,000 level. Secretary of Technology Donald W. Upson has requested using $25,000 of the TIF toward that effort. The theme of the Summit is "The Emerging Global Framework," and includes notable international industry and government leaders, including Governor Gilmore; John T. Chambers, President and CEO of Cisco Systems; Alfred R. Berkeley III, Vice Chairman of the Board of Directors of the Nasdaq Stock Market; John Sidgmore, Vice President of WorldCom; Stratton Sclavos, President of VeriSign; Bruce McConnell, President of McConnell International; and Klaus Zumwinkel, Deutsche Post World Net.

Action

The motion to approve the funding request of $25,000 to help sponsor the Global Internet Summit passed unanimously.

Workgroup Updates

Executive Committee. Mr. Nims reported that the Executive Committee has met twice since the last COTS meeting. The Executive Committee has focused primarily on a self-examination of COTS Workgroup structure and orientation toward electronic government. Since 1998, COTS has evolved as an organization, and the Executive Committee is taking stock to see if COTS has met the goals and objectives in terms of Executive Order 65 and adopted an eGovernment focus. The Executive Committee expects to come forward in the coming weeks with recommendations for Workgroup

structure and support.

Enterprise Architecture. David Molchany reported that the Enterprise Architecture Workgroup draft report will be completed in February. The Workgroup has worked with the Communications Workgroup to ensure architecture concepts are explained clearly. The Workgroup is currently working on conceptual architecture. The three domain teams are moving forward. The issues the Workgroup faces include the need to encourage the acceptance of architecture and what it means for Commonwealth universities and localities.

Procurement. Leslie Carter reported on behalf of Jan Fatouros. The Procurement Workgroup met and discussed what was presented, specifically how to organize and prioritize state contracts. The IT Services contract is expected to hit the street in February. Ms. Carter urged COTS members to contact her or Paul Dodson at DIT to request modifications or updates to existing contracts. The Workgroup has worked with other Workgroups to learn what other priorities need to be added or changed.

Digital Opportunities. Bette Dillehay reported that the Digital Opportunities Task Force was created to address the digital divide. Rather than calling it the Digital Divide, the Task Force name "Digital Opportunities" was created to reflect the positive aspects of activities in the Commonwealth. The Task Force is composed of 51 members from government, the private sector, citizens, and special interest groups, and has met three times. The Virtual Opportunity Center was unveiled last week, which is a web-based center aimed at organization leaders to research best practices from around the state. The Center will include cost information, based on demographics, training, facilities, maintenance, and materials. The Funding Committee has identified a need for regional information. COTS members with access to regional information should contact Janice Akers of the Electronic Government Implementation Division.

Seat Management

Secretary of Technology Donald W. Upson joined the meeting by telephone to offer comments and take questions regarding seat management. Secretary Upson stated that Virginia was going to need a strategy by the end of February with agencies, local government, and higher education outlining what full implementation of seat management looks like. It is time to execute–not just talk about pilots and take baby steps anymore.

Secretary Upson reported that his office was sending out a letter today about seat management and the decision to not award the new PC Hardware contract until the current contract was consistent with Executive Order 65. The total cost of ownership (TCO) requirement is not a new requirement–the Appropriations Act requires TCO studies prior to purchasing electronic equipment. Whether an organization chooses to participate in seat management or use other purchasing vehicles, a TCO will be necessary. Secretary Upson also pointed out that it is not clear to him why Virginia is putting out a contract to purchase computers without any way to monitor or manage who will do what.

Secretary Upson stated that he received a coffee-table book about eGovernment from another state. Many states have these books, but no state has come forward to implement eGovernment in a coordinated fashion. We have an opportunity for a coffee-table book in Virginia. It would be about how we did it, not how we plan to do it.

The goal is to put 10,000 seats under seat management by the end of the fiscal year and an additional 10,000 seats by the end of the following fiscal year, address portal issues, and examine the eProcurement strategy. The Chief of Staff to the Governor Boyd Marcus will convene monthly meetings with agency heads on a number of issues, including seat management. Secretary Upson would like to see monthly meetings with regular data from agencies tracked, such as migration strategies. The goal is not control–the goal is to put in place a permanently modern environment.

Secretary Upson congratulated the Department of General Services for educating the community on eVA–Virginia's eProcurement system. Secretary Upson is working to put incentives–not disincentives–into place.

The Electronic Government Implementation Division Seat Management Section is working hard on innovative ways to get resources to establish 10,000 seats. The Seat Management Section–with the Seat Management Workgroup and COTS–is targeting the smallest agencies first.

Secretary Upson challenged COTS to step up to implementation and knock obstacles down as they come up. He said there is ample opportunity to act now, so now is not the time to work in our own silos, after 30 months of working on seat management.

Discussion: Seat Management

Chip German asked the Secretary to define seat management in order to determine whether the University of Virginia's efforts qualify as seat management, even though they don't match the state. Secretary Upson said that seat management is a minimum standard configuration, and that seat management makes sense in the higher education environment. COTS can define the requirements.

Joy Hughes said that institutions might do a TCO study that involves mission elements, such as a help desk that serves 20,000 students and 1,000 employees. The Secretary was favorable to quantitative data as well as qualitative data about training students, etc. Secretary Upson stated that when an organization has an approach that is working well, it is not expected to stop. Ms. Dillehay pointed out that the TCO guidelines are currently in draft form and cannot become official until COTS has reviewed and approved them. There is an opportunity for COTS members to act on the guidelines.

Ms. Hughes asked whether institutions were expected to migrate their seats to seat management all at once. Secretary Upson clarified that it is not feasible for everything at once. Once the stake is in the

ground, everyone will want to be a part of it.

Ms. Dillehay proposed continuing the discussion on seat management following three brief summary statements by David Nims on Executive Order 65, Jerry Simonoff on planning opportunities, and Leslie Carter on the status of various contracts.

Executive Order 65. Mr. Nims stated that there are four primary thrusts of Executive Order 65 related to seat management implementation for the Electronic Government Implementation Division. First is assisting the Secretary of Technology in developing TCO guidelines for the Appropriation Act. The Division is currently in the process of doing that, and the guidelines exist in draft form. The Seat Management Section of the Division has been working for several weeks on developing and refining the guidelines. The guidelines will be brought before COTS for deliberation and then go through the normal promulgation channels.

Second is development of a statewide education program. The Division has been working cooperatively and collaboratively with the seat management contract vendors on outreach, marketing, and education components. The goal is to put out as much information as possible in understandable and easy-to-use formats to benefit agencies who want to use the seat management contract. The plan will come before COTS for final approval for distribution.

Third is assisting agencies and institutions with specific plans for implementation. The Division purchased the GartnerGroup TCO software product and sent three people to training. The Section has developed a tiered approach, based on size. The Section is targeting agencies with 100 or fewer seats, using the Electronic Government Implementation Division as a guinea pig. The TCO did not take anywhere near 100 hours, and multiple TCO studies can be handled simultaneously.

Fourth is assessing the value of seat management and performing the post-evaluation. The Section collects information from agencies as it moves forward, and is identifying specialty needs. There is opportunity to modify seat management contracts to meet those needs.

Ms. Dillehay stated that COTS can create a process to review and identify what needs to be modified on the seat management contracts. Cheryl Clark stated that modifying the contract would be good in the long run, but there are immediate needs. Ms. Dillehay stated that COTS can step up with the notion of how to make seat management work, how to identify where seat management won't work, and how to move the two things forward.

Planning Opportunities. Mr. Simonoff described a meeting with Secretary Upson when he first became Secretary. Those present at the meeting described their frustration that CIM/DTP got good IT plans from agencies but only a fraction of those plans got implemented due to lack of funding. Secretary Upson said, "What you're telling me is that there is no capital improvement for IT and you have to go back and beg for money." Until Virginia changes the way it prioritizes and funds, it will only be marginally successful. Seat management is a different way to fund IT; one way to go about it. While seat

management is a groundbreaking effort, it changes the notion about how to fund technology projects at all levels of government. Because seat management is not just a technology issue, the challenge today is not to stifle individual questions and concerns. This is a crossroads situation.

Mr. Simonoff said COTS will know it has been successful when people start to wince and feel pain. When they feel pain, COTS is dealing with the seminal issues. It is important to bring away from the meeting today that there is a challenge before COTS and no simple solution. COTS must look inward and expansively, then move forward collectively and change the mindset of state government.

Ms. Hughes stated that COTS does not want unintended negative consequences and urged COTS to not put all of its energies into focusing on the exceptions. She proposed that COTS find a way to handle the special circumstances in a way that doesn't occupy the entire conversation. Mr. Molchany said that the new PC Hardware contract could be awarded and reviewed monthly to determined how it is being used and why. After six months, COTS could devise a strategy while having the PC Hardware contract as back up for instances where seat management is not possible.

Status of Contracts. Ms. Carter reported that the Department of Information Technology (DIT) had posted the award for the three TCO study vendors. Ms. Carter thanked the agencies that worked with DIT to put together the requirements and evaluate the responses. To make a change to the seat management contract, COTS Workgroups or the Seat Management Section of the Electronic Government Implementation Division can submit a letter to Ms. Carter or Paul Dodson requesting a change. The Seat Management Section would be the primary source for change requests to the contract. Agencies and the Secretary's office can send requests as well. Once DIT receives the request, it works with COTS and the Seat Management Section to modify the contract. To get a new contract established where a need is not addressed in any current statewide contract, the best avenue is to have it established on a COTS Workgroup priority list.

Mr. German suggested starting with the recommendations made in the Seat Management Workgroup Report. Seat management is regarded as a voluntary contract, the purpose being that Virginia could lead more people by good sense and incentive rather than by mandate.

Ray Davis stated that the mandatory element of the Secretary's letter is negative–agencies, institutions, and localities have no other option. Some agencies are not starting at ground zero and have requirements with other contracts for certain servers. Some cannot get to seat management intelligently until the TCO study is completed.

Mr. German said that at the Executive Committee meeting in September the notion of multiple acquisition vehicles was discussed. The majority supported that the TCO study methodology be more flexible than just using the Gartner model. Jeb Stewart said that the assumption is that the TCO will find that existing costs are automatically going to be higher than the contracts. In large universities, there are areas where it will work and where it does not work.

Ms. Dillehay said an early misconception is that the TCO study is a "go" or "no go" tool. The TCO supplies baseline data for understanding baseline costs–it is not a yes/no decision tool. With regard to the flexibility of the instrument itself, there is concern for consistency. Seat management cannot be judged on direct costs alone. COTS needs to support the concept that seat management should be employed to the maximum, and should find ways to use seat management.

Naseem Reza raised the issue of federal funding and one-year grants. Jim Peters said Virginia's own accounting rules often impede how federal funds are spent. Ms. Dillehay said obstacles and impediments should be identified and changed. Mr. Peters noted that the TCO may be a tool for negotiating vendor costs.

David Sullivan said that the local government perspective is different–there are many exceptions, grants, money with strings attached, computers for high school students, etc. There are administrative computers that have no special needs and are state-funded that can be on seat management. Mr. Sullivan urged COTS to focus on those computers that make sense; that it bears on the leadership of COTS to say we are committed to seat management, especially for the administrative computers that need uniform capability. COTS should focus on the mainstream desktop computer–not servers, not research workstations, not grants–just the mainstream and the Secretary's goal of 10,000 seats can be accomplished easily. All agencies, institutions, and localities have exceptions and exemptions, but the bulk of computers are treated the same way.

Patti Higgins asked whether it was an option to extend the contract in order to move forward. Ms. Dillehay stated that COTS could make recommendations, and suggested that if such a recommendation was made, there should be a follow-on statement for creating a process by which COTS can review and monitor use of the contract.

Bill Wilson put forward a motion to sign the new PC Hardware contract while moving forward in faith and confidence that seat management is moving forward. Mr. German added that TCO costs are high and should be done more efficiently and inexpensively. Following comments from the public and further discussion, Cheryl Clark amended the motion as follows:

The Council on Technology Services endorses:

(1) Seat management concepts as well as Secretary Upson's goals for 10,000 and 20,000 seats at the end of this current fiscal year and the next fiscal year. (2) Awarding of the pending PC Hardware contract, stressing it as a transitional mechanism for handling specialty needs and special circumstances that are not appropriate for seat management. (3) Flexibility to conduct total cost of ownership (TCO) studies other than through the Gartner model. (4) Establishing a specific mechanism for monitoring and tracking progress toward seat management goals.

Action Item

The motion was passed unanimously

Adjourn

The meeting was adjourned at 12:00 p.m.

Next Meeting

March 8, 2001
9:30 a.m. to 12:00 p.m. COTS business meeting
UUNET/WorldCom, Ashburn, Virginia

Respectfully Submitted,

Jennifer L. Wootton
Electronic Government Implementation Division